

Thank You for Helping Us Change WIC!

During 2006, the WIC Program made significant changes to the way WIC food instruments (FIs) are issued and paid.

June 1, 2006	We implemented 2 vendor groups with different maximum allowable rates for above-50-percent vendors and all other vendors.
October 1, 2006	We implemented 16 vendor peer groups with different maximum allowable rates for each group.
October 30, 2006	We implemented any authorized vendor (AAV) enabling participants to use FIs at any California WIC authorized vendor and vendors submitting FI serial numbers to WIC.

WIC implemented vendor peer groups and FIs payable to any authorized vendor to comply with new federal requirements. Preparing for these changes required a significant commitment of time and resources on our part and on your part. We appreciate your efforts to adapt to these changes. Your support enables WIC to serve nearly 1.4 million California women, infants and children each month and purchase nearly \$850 million of food each year.

We are committed to strengthening our partnership with you as we make future changes to WIC. We will maintain our communication with you through your associations and through other opportunities during the coming year.

See our website at www.wicworks.ca.gov (WIC Vendor News Page) for a copy of this newsletter, past newsletters and a series of frequently asked questions.

What Has Happened So Far?

- The United States Department of Agriculture (USDA) lifted restrictions on authorizing new vendors that had been in place for over two years. Over 400 new vendors have already requested applications to become WIC authorized vendors.
- Food costs declined by nearly \$2.00 per WIC participant between May and November 2006. A reduction in food costs enables WIC to serve more families. In January 2007, the number of participants served reached a record high 1.37 million.
- WIC participants are benefiting from the freedom to shop where they choose with each FI. As a result, vendors have an opportunity to increase the number of WIC FIs redeemed at their stores.
- Your stores redeem 300,000 to 400,000 FIs daily and over 98% are paid as submitted. However, we recognize that the new changes have caused a higher number of FIs to be returned to vendors unpaid. We will continue to work with you during the next several months to reduce the number of rejected FIs.

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You may order additional logo supplies by visiting our website at www.wicworks.ca.gov. At the Home Page, select “Forms” in the left margin of the page and then select “OSP 508 WIC Vendor Materials (pdf)”.

WIC's New Look

This fall WIC unveiled a new logo. We provided all vendors with new WIC logo decals and posters. By displaying the decals and posters in your store, you are letting participants know that you accept their FIs. Recently, we sent vinyl shelf talkers with the new WIC logo to all vendors. These shelf talkers will help you identify which food items are authorized for purchase with WIC FIs. This will help WIC shoppers select the correct foods and reduce errors at the check stand. We are pleased to hear that many of you are posting the decals, posters, and shelf talkers. We are encouraging our WIC participants to rely on them when they shop.

Promoting Success for WIC Participants

Now that WIC participants are able to shop at any “WIC Authorized Vendor” in California they may be “shopping around” for the best grocery store experience as well as for the WIC foods they prefer. Here are some tips to help make WIC participants’ shopping experience positive for everyone, including store personnel.

1. Display the new WIC decals and posters.

This will help WIC participants easily identify your store as a WIC authorized vendor. WIC staff advises families who are unsure about where to shop with WIC FIs to look for the decals and posters with the California WIC logo.

2. Identify WIC foods by ensuring your WIC shelf talkers are visible and accurately placed below the authorized WIC foods.

This will help participants more easily find and purchase WIC approved foods, making checkout easier for everyone.

3. Remind participants to look at the “Kind to buy” and “How much to buy” sections of their food instruments to know what to purchase.

WIC staff teach participants to focus on the “Kind to buy” and “How much to buy” sections of the food instruments. However, some participants may need your help to select the correct foods and amounts.

4. Be patient.

New participants may need time to become familiar with your store layout and the WIC shopping process. A bit of assistance can make all the difference!

WIC is Accepting Vendor Applications

California WIC is now able to accept requests for applications for authorization as a WIC vendor. You may obtain further information on our website at www.wicworks.ca.gov. At the Home Page, select “Grocer Information” in the left margin of the page and then select the link “Moratoriums Lifted on Vendor Authorizations”.

Helpful Tips

To assist you in successfully transacting and submitting FIs for payment, we have prepared a number of helpful tips. These same tips are available at www.wicworks.ca.gov on the WIC Vendor News page. We encourage you to share these tips with employees who transact FIs, submit serial numbers, or handle FIs that are returned unpaid.

TIPS

Preventing Rejected FIs

Begin with Successful Serial Number Submission

- Submit the FI serial numbers electronically using the VWIX website or by direct FTP file submission. Then use VWIX to verify that the serial numbers were successfully received **BEFORE** depositing the FIs in your bank.
- When using the telephone system to submit the serial numbers, you can review your last 3 submissions by selecting option 3. Use VWIX or call the WIC Technical Support Unit at 1-800-224-7472 to make sure that your submission was successfully received, **THEN** deposit the FIs into your bank.

Pay Attention to the Time

- No matter how you submit your serial numbers (phone, VWIX, or FTP), serial numbers submitted Sunday–Thursday before 9 p.m. Pacific Standard Time (PST) will get to the State Treasurer’s Office (STO) the next morning. If you send the serial numbers in after 9 p.m. PST, they will not reach the STO until two business days after your submission. **NOTE:** Since the STO is not open on Saturday or Sunday to process FIs, any submissions received after 9 p.m. PST on Thursday through Sunday at 9 p.m. will reach the STO on Monday morning.



- In some instances, WIC FIs are processed swiftly through the banking system, reaching the STO in less than 24 hours. For example, if you deposit the WIC FIs into your bank during the day, and submit the serial numbers after 9 p.m. PST that same day, those FIs may be returned to you stamped with “Vendor Exceeds Maximum Amount” because your serial number submission did not reach the STO before the STO received your FIs. To reduce the possibility that the FIs you deposit do not ‘beat the serial number’ to the STO, consider submitting serial numbers before 9 p.m. PST. If serial numbers are submitted after 9:00 p.m. PST, consider waiting until the following day to deposit the FIs into your bank.
- The Maximum Allowable Department Reimbursement (MADR) rate is connected to a serial number at the time it is submitted. New MADR rates are effective every other Friday at midnight. So, on Thursdays before a MADR rate change, consider submitting the serial numbers of the FIs transacted in your store that day before midnight. If the serial number is submitted after midnight, its MADR will be the next day’s rate.



Be Sure the FI is Valid

Accept the FI only if it is within the valid date range. Do not accept an FI from a participant prior to the First Day to Use or after the Last Day to Use. You have 15-days after the Last Day to Use to deposit the FI for payment.

VWIX Needs Periodic Maintenance

The VWIX system is generally available 24 hours a day for web access and FTP submission. However, three hours on the first and third Sunday/Monday of each month from 11:00 p.m. – 2:00 a.m. PST are needed for system maintenance. If Monday is a state holiday, the maintenance period is Monday/Tuesday from 11:00 p.m. – 2:00 a.m. This time-frame is different from what we published in our July 2006 newsletter. VWIX will not be available during this period. Please do NOT schedule a direct FTP submission to occur during these hours and days of the month, since there is a possibility that your submission will not be received and processed correctly. As an additional aid to vendors, a 2007 schedule



of planned system down time is available on our website at www.wicworks.ca.gov. The VWIX system maintenance period does not affect the telephone system availability.

In addition to the routine system maintenance outages, we anticipate monthly periods of 1-2 hours in the early morning when VWIX is not available in order to upgrade the system – add features and fixes. We will announce these at least one week in advance on both the VWIX and the www.wicworks.ca.gov websites. These maintenance periods will not affect direct FTP submissions or telephone system availability.

Working with Your Bank

On December 17, 2006, WIC sent a letter to each of the banks that submit FIs to the State Treasurer's Office for payment. The letter explains that WIC has changed its processes and that some vendors have notified WIC that they are experiencing costly bank fees and other penalties due to returned FIs. In this letter, WIC asked banks to consider waiving or reducing the fees or penalties charged to a vendor's bank account during this time of transition to peer group pricing and AAV. A copy of this letter will be sent to vendors upon their request or can be obtained at www.wicworks.ca.gov. We recommend that vendors use this letter to discuss concerns about bank fees and penalties with their bank.



Be Aware of Upcoming MADR Rate Changes

Vendors are able to preview the new MADR rates on the VWIX website, vwix.dhs.ca.gov, five days before they become effective—Sunday, 12:01 a.m. to Friday, 12:01 a.m. This same information is available to vendors using the WIC vendor telephone system. A 2007 schedule of upcoming MADR rate changes is available on the WIC website at www.wicworks.ca.gov.

TIPS

What to do When FIs are Rejected for Payment

Some FIs may be rejected for payment and returned to you through the banking system. These FIs will be stamped in red or black ink identifying the specific error.

**VENDOR
EXCEEDS
MAX
AMOUNT**

Problem: WIC did not receive a successful and timely serial number submission for this FI. Without the submission, WIC cannot identify the vendor that accepted the FI and therefore cannot assign a Maximum Allowable Department Reimbursement (MADR) rate. This FI is returned to the bank/vendor unpaid.

Option: The vendor may submit the serial number to WIC for this FI by one of the serial number submission options and then redeposit the FI in the bank for payment.

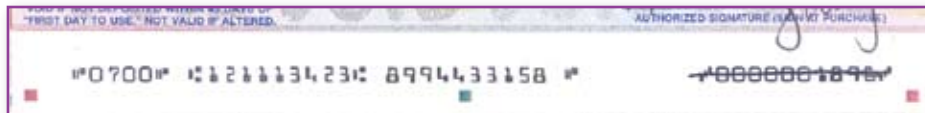
Note: The MADR for the FI will be the rate in effect on the date when the serial number is submitted.

EXCEEDS MAX AMOUNT

Problem: The vendor submitted an FI for payment with an exact purchase price that exceeds the MADR rate. This FI is returned to the bank/vendor unpaid.

Option: The vendor may follow these steps:

1. Cross out the amount entered in the "Exact Purchase Price", writing in another amount that does not exceed the MADR*.
2. Draw a line through only the dollar amount encoded on the strip on the bottom of the FI (using a black ball-point pen, as shown below).



3. Re-deposit the FI in the bank for payment.

***Note:** The MADR for a FI rejected due to Exceeds Max Amount may be obtained by using the WIC program's telephone system. Call 1-888-942-4942 and select option 4. This option will soon be available on our VWIX website as well.



PAYMENT STOPPED
Date
STATE TREASURER

Problem: An FI will have this stamp for one of two possible reasons.

1. WIC will not pay FIs when at the time of the serial number submission the vendor is not WIC authorized, or
2. If the date of serial number submission and/or the FI deposit is prior to the “First Day of Use”, WIC will not pay the FI (Post dated).

Option: The vendor may send the original FI and a letter to the Program Integrity Unit of WIC requesting reimbursement consideration.

Note: These FIs cannot be resubmitted for payment through the bank.



STALE DATE

Problem: If the date of serial number submission and/or the FI deposit is more than 45 days after the “First Day to Use”, WIC will not pay the FI.

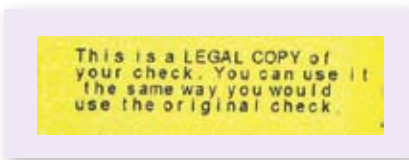
Option: The vendor may send the original FI and a letter to the Program Integrity Unit of WIC requesting reimbursement consideration.

Note: These FIs cannot be resubmitted for payment through the bank.

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Dealing with Substitute Checks

A substitute check is a special paper copy of the front and back of an original FI. A substitute check has the following words printed on the left-hand side: “This is a LEGAL COPY of your check. You can use it the same way you would use the original check.” It will look as follows:



This is a LEGAL COPY of
your check. You can use it
the same way you would
use the original check.

A substitute check may also be called an Image Replacement Document (IRD) or a check copy. You may read more about substitute checks at the Federal Reserve Board website http://www.federalreserve.gov/pubs/check21/consumer_guide.htm.

At a bank's option, a substitute check is created during the banking process and then used in place of an original FI. A substitute check is accepted through the banking process for payment. If you receive a substitute check that is not legible, contact your bank to obtain a legible copy. WIC cannot assist you in resolving a problem with an illegible substitute check.

VWIX Changes: Recent and Coming Soon

As the WIC program and vendors gain experience with VWIX, we will make improvements and add new features. Vendor input will be critical. We will work with your vendor associations to request information on how we can improve VWIX.

Recent Changes

VWIX News

VWIX now provides special announcements when you logon. WIC will use this feature to notify you of upcoming changes, planned system outages and other important information.

VWIX Time-Out Now 76 Minutes

WIC has extended the time-out setting from 30 minutes to 76 minutes. But typing information into one of the VWIX screens or using the space bar or tab key will **not reset** the VWIX time-out clock. The time-out clock will restart only if you click one of the bottom buttons: Main Menu, Start Next Store, Submit, etc. When typing in serial numbers on the serial number entry screen, be sure to complete your work by clicking "Submit" within 76 minutes. If you do not click "Submit" within 76 minutes, the serial numbers you typed may be lost.



Hear MADR Rates for Specific Food Instrument

For a FI returned with the stamp "Exceeds Max Amount", you may obtain the Maximum Allowable Department Reimbursement (MADR) rate for the FI using the WIC program's telephone system.

Call **1-888-942-4942** and **select option 4**. Your **six-digit vendor ID number** and **PIN number** will be required to use the phone system.



Coming Soon

We have already received input from vendors on a few new features and plan to implement them in the near future. Using our VWIX and www.wicworks.ca.gov websites, we will notify you in advance of each change.

Serial Number Search

Using VWIX, you will be able to enter a FI serial number to access the status of a specific FI, including the date it was submitted and its MADR rate. This will assist vendors in fixing and redepositing FIs that have been returned unpaid.

Electronic Download of MADR Rates

Using VWIX, you will be able to download a file containing the MADR rate information for each WIC food item for your peer group(s).

Automatic Payment of FIs that Exceed the Maximum Amount

FIs rejected and returned to the vendor unpaid due to "Exceeds Maximum Amount" will be automatically processed by WIC. You will NOT be required to correct the amount or re-deposit the FI in order to be paid. WIC will pay the vendor the MADR rate applicable to the FI on the date the serial number was submitted.

Contact Us

Questions About Policies or Vendor Applications

For vendor policy issues, vendor applications or requests for materials mentioned in this newsletter, contact your WIC Vendor Consultant directly or call 1-916-928-8705.



Need Help with VWIX?

For assistance in using VWIX, submission of serial numbers, or for answers to questions about a specific FI, contact **WIC Technical Support**. There are now two ways in which you may contact WIC Technical Support. If you have a problem that must be addressed immediately, call **WIC Technical Support at 1-800-224-7472**. For a non-urgent question or suggestion, you can now email us at VWIXHelp@dhs.ca.gov. In your e-mail, please include the following:

- your name,
- your phone number (including area code),
- your VWIX User ID,
- your Vendor ID Number, and
- your message.

You will receive a response within two state business days.

*WIC Technical Support hours are: Monday–Thursday 7am–7pm,
Friday 7am–5:30pm, Saturday 8am–5pm.*



Need Extra Help with Rejected FIs?

You can request reimbursement for most rejected FIs by following the steps on page 5 and redepositing them at your bank. But if you need to mail in FIs for reimbursement consideration, use the following address.

Mailing Address:

California WIC Program
Attention: Program Integrity Unit
3901 Lennane Drive
Sacramento, CA 95834

Remember to include the original FI (or legible legal substitute) along with a letter that includes:

- vendor name,
- vendor ID Number,
- contact person and phone number, and
- written explanation of your request.

Keep a copy of the FI and letter for your records. You may send multiple FIs with a single letter.

Response Time:

Process time for response or FI payment through the Program Integrity Unit is approximately 60 days from date of receipt.